

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Stemgenix LLC

New York Manufacturing Extension Partnership

Stemgenix Gets A Boost Into Business

Client Profile:

Stemgenix, LLC, a new company located at the University at Buffalo Technology Incubator in Amherst, New York, is on a mission to become the worldwide leader in the formulation and distribution of specialized liquid media for growth and expansion of human stem cells for research and clinical applications. The company, founded in 2001, currently has five employees.

Situation:

Stemgenix had an extremely short window of opportunity to become a key player in the stem cell industry. Although putting all the pieces of the business together in a short period of time poses a challenge for any new entrepreneur, this pressure is intensified when the field is developing rapidly and becoming highly competitive. Stemgenix turned to the Western New York Technology Development Center (TDC), a NIST MEP network affiliate and division of the New York Manufacturing Extension Partnership, for assistance with business planning, business financing, and day-to-day financial management assistance.

Solution:

Working together, TDC and Stemgenix laid out the basis of a business plan. Starting with projections on the current market and projections for that market's expected growth, they developed a forecast of the amount of various media they expect to be able to market. Stemgenix also found it important to anticipate what new formulations may be required and to commit to their development and introduction, giving the company the ability to react much faster to customer needs.

With a concise and compelling business plan in place, the needed to raise capital to move forward. TDC helped Stemgenix to understand investors' expectations regarding their return on investment before Stemgenix began the process of presenting its business plan to potential investors. TDC helped Stemgenix develop a complete sales and marketing plan to support its proposal. In December of 2001, Stemgenix presented its plan at a Western New York Venture Association (WNYVA) meeting. The WNYVA found that Stemgenix not only had a scientifically advanced product, but was also able to show that it had a demonstrated need in the market. WNYVA chose to offer the company start-up capital.

After securing a source of financing, TDC helped Stemgenix choose the University at Buffalo Technology Incubator as the location for its laboratories

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and offices. The incubator had the space and facilities, plus a laboratory infrastructure that Stemgenix needed, saving the company a costly build-out. To provide ongoing assistance, Stemgenix turned to TDC's "loaned executive" program. The company asked TDC's Ed Hutton to continue providing assistance with its financial reporting and management through the first year of operation.

Results:

Developed concise and compelling business plan.

Obtained venture financing.

Located office/laboratory space at minimal cost to the company.

Loaned principal financial advisor for first year of operation.

Testimonial:

"We want our company to be on the cutting edge. Since we're small, we have the ability to react much faster to customer needs. The Technology Development Center gave us an important advantage over the much larger competitors in the field."

Chris Alfiero, Chief Executive Office